

IOWA STATE UNIVERSITY

**Iowa State University
Efficiency & Effectiveness Report**

**Administrative Costs in Higher
Education Study Committee**

November 5, 2013

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Overview

- Enrollment has grown 23.7% to 33,241 students in past 5 years
- More lowans attend Iowa State than any other institution
- Cost of instruction per student is \$9,135 decreased 11% in past 4 years
- Land-Grant Mission
 - Providing access to high-quality education
 - Apply research to meet the needs of Iowa, the nation, and the world
 - Extending knowledge to strengthen Iowa's economy and citizen's quality of life
- Continuous process improvement
 - Wall Street Journal listed Iowa State as having one of the lowest administrative costs in the country (February 7, 2013)
 - Iowa State Facilities' operations received the IRPE – Iowa Recognition for Performance Excellence – Gold Award
 - Responsibility centered financial management
 - Partnership with private sector to utilize efficiency and effectiveness of operations including
 - Continuous improvement
 - Lean projects
 - Benchmarking – public and private sector
 - Dashboards

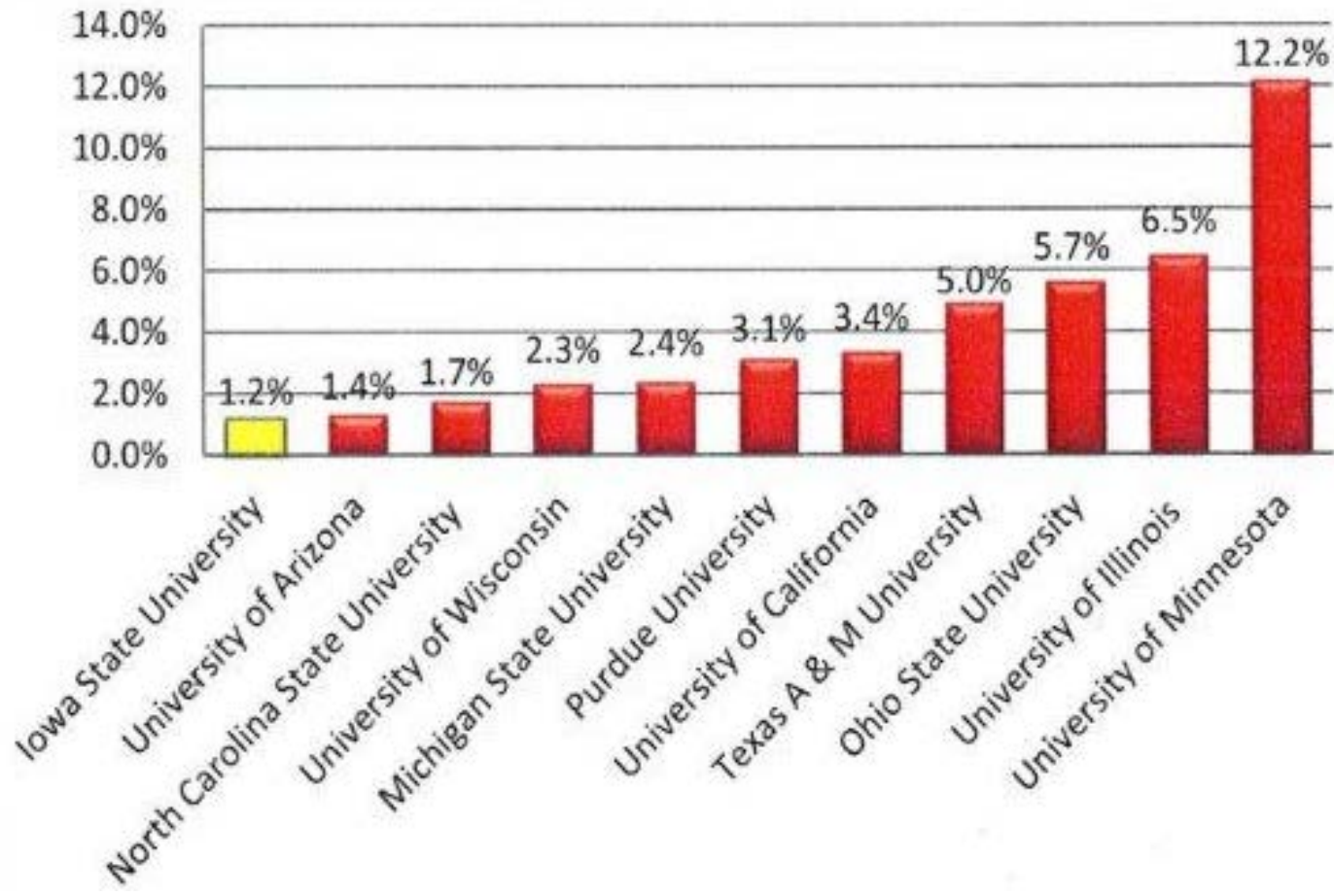
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Holding Down Costs

- **Eliminate or down-size low-enrollment programs (e.g. part-time Saturday MBA)**
- **“Cloud” computing to eliminate servers**
- **Automated admissions process**
- **Online procurement systems**
- **Reorganize administrative functions (colleges, departments)**

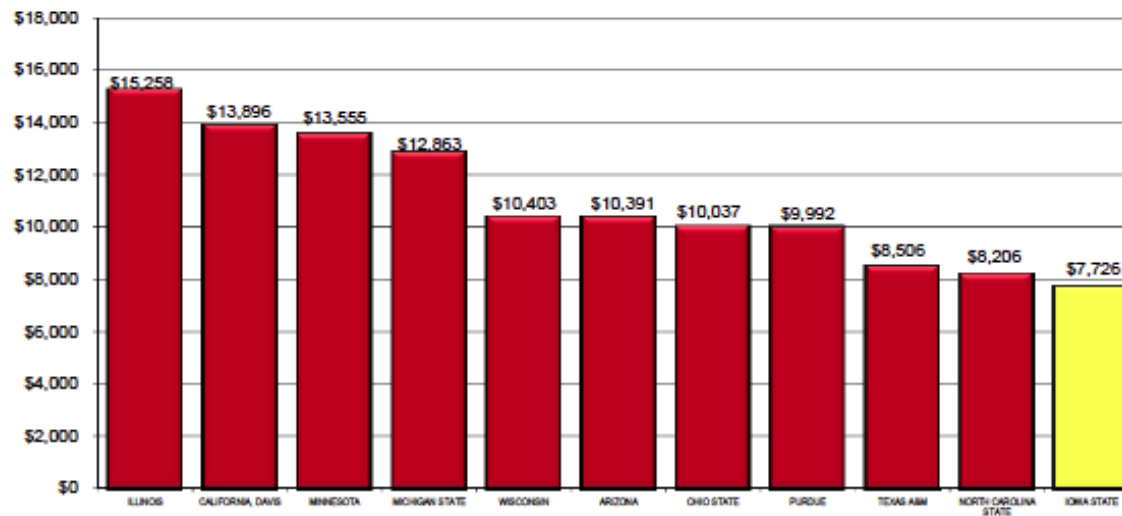
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Percent of Executive and Administrative Employees (by headcount FY 2012)



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FY 2014 Academic Year Undergraduate Resident Tuition and Fees



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Business and Administrative Efficiencies at ISU

- **Purchasing**
 - Collaboration, new sources, alternate products, competitive acquisitions saved more than \$15 million in FY 2013
 - Received Achievement in Excellence in Procurement Award from National Purchasing Institute – one of only 17 higher education agencies nationally recognized
 - 72% of total spending is on strategically sources contracts
- **Printing**
 - Transitioned from offset presses to digital reducing chemical and material use
 - Presort software for mailing has saved \$919,000 in postage
 - Reduced number of copy centers from 4 to 3 reducing staff by 8.5 FTE positions saving \$340,000/year
- **Transportation Services**
 - Doubled number of hybrid vehicles, flex fuel and electronic vehicles combining vehicle purchases with DOT and other Regent institutions for better pricing
 - CyRide, the jointly operated city and university bus system, is transporting over 6 million riders per year reducing parking and personal fuel costs by 4000 spaces and saving \$1.5 million dollars in fuel costs

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Business and Administrative Efficiencies at ISU, continued

- **Cash Management and Banking**

- Electronic payments have reduced check handling and 98% increase in ACH electronic transactions
- Student bills are primarily electronic saving \$189,000 in postage and reducing staff
- W-2s distributed electronically saving \$7,000 per year
- In-house imaging has reduced cycle time for accounting transaction by 4 days

- **Human Resources**

- Health insurance rates for faculty and professional staff have remained level through plan design and changes in co-pays and deductibles. State plans are increasing 8-9%.
- New wellness program is intended to lower health care costs and increase staff productivity
- Electronic personnel and benefit files will eliminate paper files

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Business and Administrative Efficiencies at ISU, continued

- **Technology: Cost Savings**
 - BOREAS-Net
 - SUI, ISU, U. Minnesota, U. Wisconsin
 - \$2M annual savings to Regent universities
 - Supports education and research
- **Server Virtualization**
 - More than 800 virtual servers saves \$750,000 annually
 - Voice over Internet (VOIP) saves \$600,000 annually
 - ISU is one of first universities to switch its telephone service to the cloud
- **Kuali software for financial and research services will save ISU \$8.5 million in licensing and consulting fees over 10 years. Potential student services system being evaluated may generate similar savings**
- **High performance computing primarily for research reduced data centers saving over \$200,000 annually**

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Facilities Efficiencies

- **Efficient Buildings**

- Adopted goal of new buildings being certified as LEED Gold or better

<u>Projects Completed</u>	<u>LEED Level</u>
Morrill Hall Renovation	Silver
College of Design Pavilion	Platinum
Chemistry Facilities (Hach Hall)	Gold
Biorenewables Complex	Gold
Recreation Facilities	Gold
Veterinary Medicine – Small Animal Hospital	Gold

10 additional major projects are underway

- **Utility Operations**

- College of Veterinary Medicine chiller and boiler replacement - \$600,000 annual savings
- Campus wide lighting replacement project underway – goal to reduce energy consumption by 10%
- Replacing two 40-year old coal fired boilers with new high efficiency gas boiler – estimated savings of \$3 to \$4 million/year – reducing coal consumption by a third, carbon emissions by 900,000 tons annually
- Campus buildings are metered for electricity, steam and chilled water – goal is to reduce consumption by at least 10%
- Campus budget model charges units for space per square foot resulting in increased efficiencies and better utilization
- Co-generation of electricity and steam for heating and cooling results in utility rates that are 50% lower than if purchased in the open market

- **Waste Management**

- Trayless dining reduced food waste by 50%
- Composting food waste reduces campus garbage by 500 tons/year
- Solar trash compactors reduce trash collection by 80%
- 50% of construction waste is recycled

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Academic Efficiencies

- Iowa State provides the most affordable education among cohorts of peer universities
- Extension and Outreach have been reduced by \$1 million in federal funds. Central administrative budgets have been cut by this amount. Program and county support have been increased by \$2.07 million in FY14. New accounting system and elimination of T1 telephones have resulted in \$40,000 annual savings per year. New registration system in Conference Planning and Management improves security and efficiency.
- College Efficiencies
 - Human Sciences
 - Nutrition and Wellness Center reorganized – savings \$250,000
 - Eliminated an associate dean position – savings \$80,000
 - Energy conservation – savings \$100,000
 - Engineering
 - Merging summer programs – savings \$100,000
 - Agriculture Life Sciences
 - Discontinued masters of agriculture
 - Withdrew as host of U. S. Pork Center of Excellence – savings \$100,000
 - Liberal Arts and Sciences
 - Eliminated one associate dean's office – savings \$300,000
 - Continuous improvement process for basic math courses has increased student success by as much as 30%
 - Graduate College
 - Lean project with the Boeing Company for improved programs of study – savings \$325,000 - reduce cycle time from 252 days to 26 days
- Vice President for Research
 - Developed web based reporting system
 - Closed several research centers
 - Developed new intellectual property licensing model

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Guiding Principles for Continuous Improvement

- **Maintain curricular and extracurricular quality**
- **College affordability**
- **Invest in research programs of distinction**
- **Continuous process improvement throughout the university**